

LNF & IHCIF Calculations Illustration

- Oneida in Bemidji area -

Given Data

- 7,120 = 1998 user count
- \$2,980 = National average cost per person (not including wrap-around costs)
- 24% = % Expenditures on purchased services, 76% = % expenditures in-house
- 96.4% = Cost index for purchasing health care in this geographic area
- 107.6% = Size cost index for in-house costs due to small or large size
- 105.9% = Bemidji area cost index for health status above or below average

Cost Adjustment Calculations

- \$686 per person for purchased services = $24\% * 96.4\% * \$2,980$
- \$2,440 per person for in-house services = $76\% * 107.6\% * \$2,980$
- \$3,126 per person total = \$686 (purchase) + \$2,440 (in-house)
- **\$3,311 per person total** adjusted for health status = $\$3,126 * 105.9\%$
- **\$2,566 per person net cost** = $\$3,311 - \745 Other resources (M&M&PI)

Existing Expenditures (for 7,120 users excluding wrap-around and collections)

- \$812 per person = local IHS allowance (excludes \$ for wrap-around)
- \$94 per person = expenditures elsewhere in Bemidji area on behalf of area users
- \$54 per person = expenditures elsewhere in IHS on behalf of IHS users
- **\$960 per person for OU users** = $\$812 + \$94 + \$54$

LNF Calculation

- **29.0% Gross LNF** = $\$960$ (expenditures) / $\$3,311$ total cost (ignoring Medicare, Medicaid, PI spending on behalf of OU users)
- **37.4% Net LNF** = $\$960 / \$2,566$ net cost ($\$3,311 - \745 other)

IHCIF Allocation

- \$4,129,877 = \$ to raise LNF% from 37.4% to 60%
- \$258,040,100 = aggregate \$ to raise all locations to 60%
- 3.488% IHCIF fraction = $\$9,000,000$ fund / $\$258,040,100$ needed
- **\$144,050 Allocation** = $\$4,129,877$ needed for 60% * 3.488% IHCIF fraction

Oneida Unmet Needs

- **\$18,271,149 Net Total Need** = 7,120 users * \$2,566 net cost
- **\$11,438,337 Net Unmet Need** = $(100\% - 37.4\% \text{ LNF}) * 7,120 \text{ users} * \$2,566 \text{ net cost}$